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ABSTRACT

The impact of 1996 federal welfare reform legislation on state work force development programs was examined through a study of work force development programs and policies in 13 states: Colorado, Florida, Illinois, Maryland, Massachusetts, Michigan, New Jersey, North Carolina, Ohio, Oregon, Pennsylvania, Texas, and Wisconsin. The study focused on the following: employer involvement (building on traditional employer engagement strategies and developing new strategies); redesign of education and training programs; and postemployment support services (support for inexperienced workers on the job; access to affordable high-quality child care; efforts to address the lack of transportation). It was concluded that, although moving people into the labor force quickly may indeed be the best first step in moving them out of poverty, rapid movement of welfare into the work force is not likely to achieve the more important work force development goals of enabling people to keep their jobs and leave poverty behind. Two programmatic elements--genuinely meeting employers' needs and having a clear impact on poverty alleviation--were deemed key to keeping former welfare recipients in the work force. (Nineteen successful work force development programs are listed along with their addresses and a contact person for each program.) (MN)

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What's Next After Work First

Workforce Development

Report to the Field

Mark Elliott, Don Spangler and Kathy Yorkievitz

Field Report Series

Public/Private Ventures Philadelphia, Pennsylvania Spring 1998

Acknowledgments

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Carol Clymer, Kathryn Furano, Dine Watson and Tom Smith conducted site visits, contributed written reports and served on the project team that designed and oversaw the planning and implementation of the project. Natalie Jaffe and Linda Jacovy provided invaluable editorial assistance when we attempted to synthesize our many thoughts and impressions into a relatively short and accessible report.

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In 1996, devolution of workforce development policy from the federal government to states and localities seemed highly likely. A 1995 General Accounting Office report had identified 163 federal job training programs run by 15 different agencies that were poorly coordinated and often redundant. During the same year, a national study of the Job Training Partnership Act (JTPA) found that the principal federal training program for the disadvantaged was making little difference in the employment and earnings prospects of participants.[1] These reports, combined with a strong push by the nation's governors for greater authority over the use of federal resources—particularly in the social policy arena—fostered support for consolidation of job training programs into a few major block grants. That summer, House and Senate conferees issued the Consolidated and Reform Education, Employment and Rehabilitation Systems (CAREERS) Act, which gave states discretion over the use of substantial workforce development block grants created by eliminating dozens of existing programs. The proposed bill encountered strong opposition from several camps and soon faded from view.

By late summer, however, the contentious debate over welfare reform came to an end as the Personal Responsibility and Work Opportunity Reconciliation Act was approved, giving states authority over a considerably larger block grant known as Temporary Assistance to Needy Families, or TANF. States' new flexibility came at a price: Congress limited the length of time families could be on welfare to five years and required that states move a significant and rising proportion of their caseloads into designated work activities or face federal penalties.

In the winter of 1996-97, just as this new landscape was beginning to take shape, Public/Private Ventures conducted a reconnaissance of 13 states (see map) to identify the major workforce development issues they were facing and, in particular, to gauge how their workforce programs were being affected by the newly enacted welfare reform legislation. We found that states' workforce development systems were maintaining their own identity and, in most cases, remained administratively distinct from welfare-to-work programs. Substantively, however, workforce development was being driven by the principles of welfare reform with its strong emphasis on rapid attachment to employment as the principal means of moving poor people to self-sufficiency. Combined with an emphasis on meeting the needs of employers, such a "work first" approach requires low-income individuals, often with decreasing support from the public sector, to make themselves ready to meet the demands of the workplace. These requirements include acquiring the necessary skills and supports—such as transportation and child care—that make it possible to find and hold a job.

Whether or not rapid attachment programs will enable a significant number of disadvantaged persons to move out of poverty remains to be seen. Many workforce development officials interviewed in 1996-97 expressed doubt that a work first approach would enable low-skill job seekers, particularly long-term welfare recipients, to move into jobs with decent wages and benefits. They recognized, however, that in order to better serve disadvantaged workers, they would have to adapt their programs to the exigencies of welfare reform. In several states, workforce development leaders were already deeply engaged in this reformulation—in essence moving ahead

to redesign their workforce programs and policies regardless of what was happening (or more precisely, not happening) in Washington, D.C.

In our discussions with state officials, they identified three major questions that need to be addressed to develop workforce development programs capable of assisting the poor on the long path to self-sufficiency:

- How can employers be engaged more effectively in program design and delivery?
- How can current workforce policies be redesigned in order to complement the "work first" orientation of welfare reform?
- How can postemployment services be designed to serve disadvantaged workers?

While current efforts in these areas have been limited, some existing strategies and programs hold promise. This report highlights some of these initiatives in the hope that they will be of use to both policymakers and practitioners seeking to strengthen their workforce programs.

States Included in P/PV Reconnaissance

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Employer Involvement

Although employers have often participated on state and local boards that help guide public employment and training programs, they seldom have been involved directly in the design of policies and programs. Now, with the shift away from the supply-oriented training approaches of the late 1980s and early 1990s and the embrace of work first strategies, more attention is being paid to integrating employers in the design and implementation of employment and training programs.

There are, however, at least two significant barriers to meaningful employer engagement. First, the public and private sectors typically have different workforce objectives that make collaboration difficult. Employers want employees who will contribute to productivity and profitability. To the extent that public agencies can help them achieve this goal, employers are willing to participate. To the extent that they are asked to sacrifice productivity and profitability in the pursuit of other objectives, employers are understandably less eager. Historically, the public sector has focused on job placement for the disadvantaged, with a strong emphasis on the hardest to serve, such as long-term welfare recipients. As a result, many employers are wary of hiring graduates of publicly subsidized programs, believing that "something must be wrong" with people who are eligible for such efforts. While the private and public sectors' goals are not mutually exclusive, finding common ground remains elusive.

Second, while some private employers are willing to work with public agencies to address the employment needs of poor people, they believe that public agencies must lead the effort. It is a mistake for public officials to assume that private employers are planning to hire welfare clients or other poor people simply because of a social obligation or change in federal law. To achieve genuine employer involvement, public sector officials will have to come forward with what one private sector employer termed "yes-able propositions" that describe how such collaborative efforts might be crafted and put in place. Even then, careful attention to identifying and achieving mutually beneficial outcomes will be essential.

To overcome these barriers, some states and communities are identifying ways to build bridges between private employers' needs for productive workers and public agencies' desires to find meaningful employment for job seekers. In some cases, these bridges are built on the foundation of traditional employer-engagement strategies; in others, they represent new, evolving strategies.

Building on Traditional Employer-Engagement Strategies

The states included in our reconnaissance have been building in three ways on their traditional strategies for engaging employers: by strengthening employer leadership on state and regional workforce boards, by capitalizing on traditional networks in nontraditional ways, and by coordinating public sector employment programs and services.

1. Strengthening employer leadership on state and regional workforce boards. For a number of years, public employment and training practice has been to include employers on various state, regional and local committees and councils that, in theory at least, oversee policies and programs aimed at job placement for economically disadvantaged people. More recently, however, with the advent of Human Resources Investment Councils (HRICs) and regional and local workforce development boards, there appears to be some expansion in the authority of these entities in general, and in the roles of private sector leadership in particular. While in some cases the creation of such boards involves little more than renaming existing bodies and reappointing current members, in other cases there have been

attempts to bring key employers, often CEOs, onto redesigned boards that have the ability to direct programs and funds in reconfigured service delivery regions.

While it is too early to tell whether these attempts will build productive relationships between employers and public workforce development systems, there is reason to hope that this might occur. In Florida, for example, under the aegis of a high-level, private-sector-led statewide commission known as Enterprise Florida, the Jobs and Education Partnership was created to oversee the design and implementation of all major workforce programs through reconfigured service delivery areas. New regional workforce development boards, led by senior business representatives, have the authority to shape programs and direct funding to meet local employment needs.

2. Capitalizing on traditional networks in nontraditional ways. It is well-known that having connections to people who are successful in the job market is key to getting, and advancing in, good jobs. Some community-based organizations are attempting to create similar opportunities for inner-city residents who are isolated from such networks. These organizations recruit board members and other volunteers who have credentials, credibility and access to jobs in sectors where inexperienced workers might find employment. By taking advantage of their own contacts, these board members and other volunteers can identify job openings and get job seekers in the door for interviews. Over time—assuming that the new employees do, in fact, become productive workers—the organization builds its reputation, and the network expands.

Job Networks for Inexperienced Workers

In Baltimore, Genesis Jobs, Inc., a community-based nonprofit organization that provides counseling and job placement for unemployed and inexperienced workers, recruits volunteer counselors who have direct ties to major employers in and around the city. In addition to meeting individually with job seekers, the counselors participate in a Job Development Roundtable during which they discuss and develop employment possibilities for each would-be employee who is considered ready for referral.

While Genesis attempts to provide a compassionate response to everyone who comes to the organization for help in finding a job, staff and volunteers clearly frame their work in terms of meeting employers' needs for qualified and responsible employees. This focus pays off for their clients: more than 400 employers in the area look to Genesis for new employees.

3. Coordinating public sector employment programs and services. One long-standing criticism of public employment efforts is that they are disconnected from one another, and one result is duplication in their attempts to contact employers to identify jobs for clients. In some states and communities, efforts are under way to address this problem by coordinating the job development and other employer outreach efforts of different programs and systems and marketing them with a single set of messages. Kenosha, Wisconsin's job center has established an employer outreach team consisting of staff from the contracted management agency, the Private Industry Council, Job Service, Gateway Technical College, the Division of Vocational Rehabilitation, Title V services for senior citizens and two local colleges. The team is based at the center and all job orders are shared. Each employer is contacted by a single staff person, who is responsible for determining the employer's workforce needs and how to meet them. Such efforts require strong leadership that insists on close coordination among programs, something that does not necessarily come easily to systems that have historically operated independently.

Developing New Strategies for Employer Engagement

Our reconnaissance found that some states and community-based organizations are developing less traditional strategies for engaging employers. These include contracting with temporary employment agencies to assist in the placement of inexperienced workers, and setting up for-profit businesses that give economically disadvantaged workers an opportunity to gain job experience and demonstrate that they are productive employees.

Employ Baltimore

Employ Baltimore is another good example of a focused, coordinated outreach effort that markets several workforce programs and services in a single, readily identifiable package. A collaborative effort of the Mayor's Office, organized labor, employers and numerous community and economic development groups, Employ Baltimore provides businesses with a range of services, including information on workforce development strategies, customized training, specialized recruiting and screening, and targeted tax incentives. All services are marketed with Employ Baltimore brochures, and employers and job seekers can access information through a single telephone number.

1. Using temporary employment agencies to assist in the placement of inexperienced workers. Temporary employment agencies stay in business because they are able to deliver to employers individuals who can do the job. Many of these agencies have developed good relationships with employers; thus, it is easy to understand why public agencies concerned with employment, training and placement have begun to learn from the temp industry's experiences and to form partnerships that can result in placements for their clients. These partnerships take different forms. In some instances, the public employment service screens potential employees and refers them to the temp agency for placement. In others, welfare agencies work directly with temp firms to screen and train recipients for entry-level positions.

Regardless of the precise shape of the relationship, it is clear that the temporary placement industry is in business to make a profit, not to be a social service agency. Therefore, it is likely that partnerships between temp firms and public agencies will focus primarily on inexperienced workers who are relatively job-ready. It is also true that the uncertain and episodic nature of temporary employment might not meet the needs of some poor people. Yet, the strong points of the temporary employment industry suggest that it should be considered as a component in a broader employer engagement strategy.

Temp Agencies

In Michigan, Kelly Services, a partner in Detroit's Work First program, hires and places welfare and other economically disadvantaged workers. Kelly's vice-president for governmental affairs chairs the Governor's Workforce Commission and also serves on the Michigan Jobs Commission. In Colorado, the Denver Department of Social Services (DDSS) has developed a strong working relationship with Sunnyside Temporaries. Sunnyside hires welfare clients who complete DDSS's employment readiness training and, during the downtime between jobs, continues to pay wages while clients enhance their skills using the in-house computer learning lab.

2. Setting up for-profit businesses. While more and more public and nonprofit training programs are attempting to meet the needs of employers, a small number of organizations have taken a more ambitious approach. Rather than designing innovative training strategies to place poor people in jobs, these entities actually become private sector employers themselves. In Denver, for example, Osage Custom Assembly (OCA)—the for-profit arm of Osage Initiatives, a Colorado nonprofit organization that provides a range of services for poor people—competes for contracts in the open market while providing in-house training and jobs to individuals at high risk of being unemployed. Since opening 10 years ago, OCA has employed about 1,000 people and had gross sales of approximately $10 million. Now, based on its years of experience, OCA is planning to provide training to other small businesses in the Denver area to help them understand how inexperienced workers can become productive employees.

Re-designed Education And Training Programs

Even if work first efforts are successful in placing significant portions of the welfare population in entry-level jobs, a number of states and local program operators are concerned that without further education or training, these individuals will find it very difficult to move up to jobs with decent wages and benefits. However, the emphasis on building systems to move thousands of individuals into jobs as rapidly as possible means that there has been only limited planning on the redesign of education and training programs to respond to the new emphasis on rapid attachment and the one-year limit on vocational training as an eligible work activity.

This is understandable. The perceived failures of JTPA and JOBS to move a significant number of people into good jobs have tended to diminish the value of employment training. The push for program integration, labor market exchange and fiscal efficiency, so apparent in the one-stop career center approach, has further eroded support for skills training. And finally, the advent of welfare reform and the defeat of workforce development block grants have shifted the attention of state and local officials to implementation of rapid attachment types of programs.

Still, some states and communities are already working hard to meet the challenges posed by this new landscape and have been developing new approaches for delivering quality education and training services. One promising strategy exploits employers' need for workers in particular industries or sectors. Other efforts shape training programs to reflect the realities of the workplace, upgrade the skills of entry-level workers and redirect resources to support training for low-skill workers. Finally, states and communities have begun to understand that many poor people will need more help to attain self-sufficiency. They are thus launching interventions, such as community service employment and subsidized jobs, that address the needs of the hardest-to-employ individuals.

1. Sectoral employment strategies. Sectoral employment strategies are considered an important approach to helping workers respond to the challenges posed by current economic and labor market trends. Successful sectoral programs recognize and intervene directly in local labor markets in order to benefit low-income workers. These strategies vary substantially, but share some key characteristics:

- They target an occupation or cluster of occupations within an industry;
- They seek to become valued by key players in that industry, such as employers, educational institutions, unions and policymakers; and
- They try to benefit low-income workers, not only by connecting them to better jobs, but also by achieving changes in the labor market that benefit low-income workers more broadly.

Although there is considerable diversity in the approaches that are or might be taken by programs with these key characteristics, sectoral employment initiatives tend to fall into two broad categories. One type of strategy, perhaps the more common, seeks to improve the access of low-income workers to good occupations by overcoming the barriers that prevent them from getting those jobs. A major aspect of these programs' strategy is providing participants with the particular skills needed to qualify for such jobs. These programs achieve sectoral impact by developing strong relationships among key organizations, usually employers and educational institutions, so that low-income people can prepare for and enter the targeted occupation(s).

Project QUEST

Project QUEST, one of the strongest sectoral employment programs, was created by two Industrial Areas Foundation (IAF) groups to prepare low-income San Antonio residents for jobs paying $10 an hour with benefits and a career path. It undertook an intensive research process to identify sectors of the local economy that had occupations that both met these criteria and were hard to fill. It identified three such sectors: health care, business services and light industry.

Project QUEST works closely with employers in the targeted sectors to develop skill standards for each occupation and design the preparation and training to meet those requirements in an ongoing process. While QUEST and IAF organizations are responsible for the recruitment, support and placement of participants, skills training is performed by the Alamo Community College District. QUEST, working with employers, ensures that the training is designed to meet and stay current with employer needs.

An evaluation by Professor Paul Osterman of the Massachusetts Institute of Technology found that by increasing graduates' hours worked and wages, QUEST increased their earnings by $4,900 to $7,500 per year. Although the program is expensive—currently about $7,000 per participant—the large earnings increases mean the program is paying off. In Osterman's words, "these are rates of return that exceed virtually all other employment and training programs." Moreover, graduates' long-term prospects appear promising: over 80 percent report that their current job has a good future in terms of pay and promotion potential.

QUEST has achieved broader sectoral impacts that will benefit other workers in several ways:

- It has restructured the training provided by the community college, giving it far greater credibility with employers;
- It has led to the development of a community college remedial education program to help poorly prepared students develop the skills needed to succeed in the community college system;
- It has worked with employers in the health care industry to restructure entry-level jobs so they require more skills, but also command higher wages.

The second type of sectoral program focuses on improving the jobs that are already accessible to the poor but pay too little to lift them out of poverty. The occupations that are generally the focus of these approaches are service sector positions in such areas as child care and home health care. This type of sectoral program may seek to benefit particular workers, but is more likely to make policy, regulatory, licensing and organizing issues a central component of the strategy.

2. Using the realities of the workplace to promote work readiness. Employers frequently express concern about inexperienced workers' attitudes and general lack of work readiness. To address this continuing problem, some training programs for poor people simulate workplace conditions in order to demystify the workplace and build work readiness skills through real life experience. One excellent example of a "real world" work simulation approach can be found in the Colorado Women's Employment and Education program (CWEE), a nonprofit organization that provides single-parent welfare recipients with the work and life skills they need to succeed on the job. When admitted to training, participants are expected to behave as employees, arriving at the designated hour; participating in training in an office environment; taking scheduled breaks, including a half hour for lunch; and staying until the "close of business." Advancement through the training program requires formal application via a memorandum and is granted based on performance. In short, the training attempts to familiarize trainees with the workplace through classroom training and direct experience.

3. Upgrading the skills of entry-level workers. Many welfare clients and other low-skilled workers placed in entry-level jobs will be able to advance to better-paying jobs only if they have the opportunity to increase their educational level or get specific training while they are working. Of course, this is easier said than done. Indeed, during their first year in the STRIVE Career Path Program in Chicago, an initiative to enable people to work part-time while attending school, participants have considerable difficulty juggling the demands of family, work and education. Because of the rigid schedules of most training institutions, STRIVE project staff said it was easier for Career Path participants to find a job to fit around training than it was to find appropriate training to fit around a job.

Still, several states and communities have worked directly with postsecondary institutions and other education and training organizations to develop more flexible models. In Oregon, for example, collaboration with community colleges has resulted in the development and delivery of short-term training for entry-level workers. And in Milwaukee, the M.O.R.E. Project has arranged with several worksites to establish computer learning stations where employees can work on their GEDs or other learning modules during breaks or after work. This benefits all employees, not just those who are placed through the M.O.R.E Project.

Incentives for Effective Training

In Florida, the Jobs and Education Partnership has established a new funding strategy known as Performance-Based Incentive Funding, as an inducement to vocational-technical schools and community colleges to offer occupational programs and courses of study for which there are demonstrable career prospects. Target occupations are selected through the use of the state's occupational forecast system, which identifies high-demand jobs within each of the 26 community college attendance areas. These occupational areas are further refined through community meetings and focus groups that test the local reality of the forecasts. Community colleges and vocational technical schools are then offered graduated bonus grants when students: 1) enroll in programs based on these occupational areas, 2) complete the training and 3) are placed in related jobs. Additional bonuses are provided for hard-to-serve students. The $50 million pool of bonus funds was built with dollars from JTPA Title III, JOBS, the state lottery and institutional donations (required of schools that seek the bonus funds) that institutions then earn back through participation in the initiative.

4. Using funding creatively to make education and training institutions—including community colleges—more responsive to worker and employer needs. To a considerable extent, public education and training programs are designed and delivered based on the structure of funding streams available to support them. Since dollars to train economically disadvantaged people are typically disbursed through individual contracts for services to discrete populations, an educational institution might receive funds to pay, for example, for services to welfare clients or to dislocated workers, and for adult basic education and GED programs. At the same time, employers often complain about the lack of connection between what they need in job seekers and the training provided through these programs.

One promising strategy for improving both the range and quality of training is to reconfigure the flow of dollars. The state of Florida, through its Enterprise Florida Jobs and Education Partnership (see sidebar), is doing exactly that. The Partnership describes its work in terms of three intersecting circles: creation of higher-skill jobs, welfare reform and workforce development. Training and education are key to success, so the state is pooling public training funds to create financial incentives for programs that meet the Partnership's objectives.

5. *Developing longer-term approaches for the hardest to employ.* States are in the process of identifying how they will assist individuals on welfare who have significant barriers to employment. Many of the states that had waivers in place before TANF (or waivers approved by July 1, 1997) included education and training programs on their list of acceptable work activities, and they are using these strategies to help the hard-to-employ prepare for jobs.

States without these waivers can design programs or program components supported by state matching funds that are not bound by federal participation requirements or by federal time limits. For example, Project Match, in Chicago, works with parents of Head Start children—generally long-term unemployed, single parents. The organization's experience suggests that gradually assuming increasing amounts of responsibility for job-related tasks prepares the mothers to take on part-time, and then full-time, employment. But because participants in a program such as this may not be involved in "allowable" activities for the required 20 hours a week, they are not "counted" as participants under the terms of TANF. Thus, such an approach might best be financed with state funds.

6. *Providing community service jobs and subsidized employment.* In many cities, there are simply not enough private employment opportunities that are appropriate for TANF recipients. In addition, there are some TANF recipients who simply are not ready for unsubsidized private employment. Thus, states and local governments will need to create a substantial number of subsidized employment opportunities and unpaid community service jobs that make a visible contribution to the community's well-being and also provide an opportunity for individuals to develop work readiness skills, build a work history, and address education and training deficits that could impede movement into a private sector job.

A few states have begun to build some capacity to provide this type of work. Oregon's Jobs Plus initiative uses food stamps and grant diversion to subsidize wages for four to six months for employers who agree to provide on-the-job training or mentoring. Wisconsin's state welfare reform initiative recognized that not all people would be able to find employment immediately and, thus, established a subsidized jobs tier as well as a temporary community service tier. Thus, the six contractors who run the Milwaukee W-2 Program, for example, are expected to develop community service jobs and subsidized employment opportunities in addition to providing jobsearch assistance programs.

Any efforts to provide community service and subsidized job opportunities must, however, be carefully developed so that they do not displace low-wage workers and depress wages in the secondary labor market. At least one project that subsidizes wages for welfare clients working in a number of large city hotels has been perceived as adversely affecting those already employed, who claim that their work hours have been reduced and their wages lowered.

Post-employment Support Services

The lack of attention to job retention, career development and employment reentry services could well undermine the success of efforts to quickly place large numbers of welfare clients into entry-level jobs. Therefore, postemployment services are critical if initial job placements are going to grow into long-term, family-sustaining employment.

New and inexperienced employees, particularly single parents on welfare, will often need to overcome potentially significant obstacles in order to get and maintain a job. These obstacles include meeting the simultaneous demands of work and family; the shortage of affordable, high-quality child care; a lack of adequate transportation; and unexpected circumstances or emergency situations that conflict with work. Experience with both JOBS and JTPA programs demonstrates that a sizable proportion of those entering employment from welfare do not immediately succeed in retaining their jobs. Indeed, research findings indicate that the road to stable employment is frequently characterized by incremental progress over a three-to-five-year period, interrupted by failure and efforts to regroup.[2]

While some states and localities are attempting to design and implement postemployment support systems, these efforts vary widely in their comprehensiveness. In general, the essential services can be organized into three large categories: supporting inexperienced workers on the job, providing access to child care and addressing the lack of transportation.

Support for Inexperienced Workers on the Job

In many respects, even for inexperienced workers, getting an entry-level job is relatively easy. Keeping the job while balancing such challenges as transportation, child care and other family responsibilities is the tough part. A number of community-based programs that link new workers to employers have acknowledged this reality and are organizing their services around the premise that long-term support through several job placements will be necessary for many individuals to make a successful adjustment to the world of work and to find a situation where they are comfortable. These efforts most often take the form of case management.

Established as a sort of laboratory to examine what it takes to move from welfare to work, Project Match in Chicago has worked intensively with residents of the Cabrini-Green Housing Project for over 13 years, and through long-term research, has developed significant insights about the variety of routes that participants follow as they move toward stable employment. The program's case managers and their clients have regular contact during the transition to employment. Their strong relationships are carefully nurtured—case managers support all aspects of a client's journey, from developing specific job leads to assisting a client with solving a school problem that is affecting her child. Case managers keep in frequent touch with both the employer and the employee during the initial phase of employment, and, perhaps most important, the case managers are there to assist clients when they lose a job, regardless of the reason.

Case Management for New Workers

The logistics of offering postemployment case management within a large public agency with multiple agendas can be quite difficult. Caseloads are typically high, and the needs of newly employed program participants, whose work schedules make communication difficult, may get little attention.

The state of Oregon recently participated in a U.S. Department of Health and Human Services Post Employment Services Demonstration Program to test more expansive models of providing support within public job-training programs—and, in particular, to replicate the kinds of case management services provided in Project Match. At the pilot sites, special employment retention workers provided follow-up case management for up to two years to those who became employed.

The experience has led to important insights about typical needs of newly working clients and ways in which better support could be offered. For example, retention workers found that clients initially had significant problems obtaining child care and medical benefits, and so the retention workers had to straighten out problems with the agencies that were responsible for issuing child care payments and medical cards. In addition, they often helped clients solve personal, logistical and financial problems that were impeding their ability to work, and helped clients who lost their jobs as a result of personal crises.

Based on the experience gained in this demonstration project, Oregon plans to extend the case management support available to welfare clients during the pre-job placement phase so that it is available in the initial transition to employment as well. State officials are also using the flexibility provided by TANF to simplify access to child care payments and medical coverage.

Because the route to stable employment may be long and circuitous and because initial job placements generally fail to meet the long-term needs of workers and their families, it is also important that TANF recipients and low-wage workers are offered assistance after a failed placement and that they have opportunities to construct career development plans. In Chicago's Project Match, the same case manager who helps identify the initial job placement works with the client if she loses the job to help her implement strategies to build skills and improve her ability to qualify for more desirable work. Chicago's STRIVE program has found that clients in its Career Path Project who establish a long-term development plan have 50 percent higher employment retention than do clients without plans. According to STRIVE, individuals are more likely to succeed if they have the chance to understand what they can learn doing a job, what recognition they can receive for superior performance, how the job can be integrated with education or training to prepare for future jobs and what support the company offers to help people get promoted.

Access to Affordable, High-Quality Child Care

In all the states we surveyed, state and local program officials acknowledged the need for additional affordable, quality child care to support the vast number of single mothers moving from welfare to work. Aside from the general concern that sufficient capacity to care for many more children simply does not exist, public officials voiced several more specific concerns about child care. These included the need for providers in low-income neighborhoods, programs that offer drop-in care, and after-school and special needs programs.

Clearly, states must help local communities develop the leadership and capacity to plan for and carry out the kind of systems improvement and expansion that is needed for child care in the wake of welfare reform. The additional federal support provided in the Child Care Development Block Grant offers resources for this critical effort, but capacity-building must proceed quickly in order to meet immediate needs. While state and local foundations, the United Way and other community organizations are all possible initiators of efforts to plan and carry out strategic expansion of child care resources and system improvements, state leadership and financial commitment are critical to foster local efforts.

Some states and localities are already engaged in efforts to achieve the major expansion of child care and after-school programs that is needed in response to welfare reform. Michigan's Community Coordinated Child Care (4-C) organizations, with the support of national and state foundations, have attempted to establish new family day-care homes in low-income areas. Special provider recruitment efforts aimed at individuals, including relatives, who are already caring for children of welfare clients have met with some success. In addition, local Michigan 4-Cs have developed mentoring programs that pair established family day-care providers with new providers in an attempt to increase the retention of new providers and upgrade the quality of their care. These initiatives have been rewarding for both mentors and those mentored, and have provided substantial support to new providers. The 4-Cs are also working to expand access to child care in nontraditional hours. In one such effort to identify potential resources, Ingham County 4-C, in Lansing, Michigan, conducted a survey of existing child care providers to determine if any were able or willing to provide care during second shift, third shift and weekend hours. This survey identified significant new sources of care.

At the same time, the 4-Cs have had only limited success in helping welfare clients establish and operate child care homes, although this is often discussed by politicians as a win-win solution to the problem of insufficient child care. The obstacles to success are significant, including homes that cannot meet safety requirements without major repairs, difficulties coping with the business aspects of operating a child care home and insufficient income to make the long hours worthwhile. Nevertheless, an ongoing 4-C project to establish new day-care homes in urban areas, augmented by resources from the Work First program and other local organizations holds promise.

Transportation That Connects Inner-City Residents to Suburban Jobs

Bridges to Work is a demonstration project designed and coordinated by Public/Private Ventures to connect inner-city residents with suburban employment opportunities by developing local programs that provide job placement, transportation and support services. With support from the Department of Housing and Urban Development, as well as the Ford, MacArthur and Rockefeller Foundations, the project assists lower-income, inner-city residents to become self-sufficient, and also strengthens regional economies by providing workers for growing suburban businesses. The project is operating in five cities: Baltimore, Chicago, Denver, Milwaukee and St. Louis.

In Baltimore, for example, the Historic East Baltimore Community Action Coalition manages the project and includes as local partners the Mayor's Office of Employment Development (the city SDA); Yellow Transportation, a for-profit metro-wide transit provider; and BWI Business Partnership, Inc., an economic and transportation management association. Bridges provides van pool service that connects residents of East Baltimore, which includes over 600 units of public housing, to the Baltimore-Washington International Airport Business District, where nearly one-third of the region's jobs are located. Support services provided through the project include pre- and postemployment counseling, conflict resolution and child care referrals.

Addressing the Lack of Transportation

The efforts of welfare recipients and other unemployed urban residents to find and hold jobs are hampered by a significant mismatch between the location of their homes and the location of available work. A recent analysis of the geography of entry-level job opportunities and the homes of Cleveland's AFDC population, for example, indicates that inner-city residents can reach only 8 to 15 percent of job openings by public transportation within a reasonable amount of time.

One solution would be for states and local transit authorities to dedicate significant resources to developing public transportation options that enable residents of high unemployment, inner-city areas to commute to the areas where jobs are located; but few metropolitan transit authorities have sufficient funding to develop new routes that may or may not eventually operate in the black. Still, several limited efforts are under way to expand the availability of transportation for welfare recipients trying to enter the labor market. These efforts attempt to provide cars for individuals, extend or alter public transportation routes, pay for public transportation for a limited period of time or provide subsidized transportation from job-poor central city locations to suburban industrial parks or commercial centers.

Several employment programs for welfare clients have attempted to solve transportation problems by providing assistance for repairing currently inoperable cars that participants own or have access to. Both Michigan and Pennsylvania, for example, have long provided special grants to repair automobiles needed for transportation to work. Other programs provide limited stipends to help clients purchase a second-hand car if that is the only way they can get to work, and a number of programs arrange to have cars donated by individuals and corporations, make necessary repairs, and then loan or give them to program participants who meet established criteria.

Michigan is leading the way in efforts to come up with creative strategies for extending public transportation to help residents get to work. Using welfare and transportation funds, the Project Zero pilot program, coordinated by the state Department of Transportation and the Family Independence Agency, has worked with several regional transportation systems to add runs on existing routes and provide minivan route extensions to suburban areas where jobs are located. These route amplifications complement a Suburban Mobility Authority for Regional Transportation (SMART) initiative in the Detroit Metropolitan Area that provides residents with free transit for the first month of a new job.

CONCLUSION

Moving people into the labor force quickly may indeed be the best first step in moving them out of poverty. By itself, in our view, rapid attachment is not likely to achieve the more important workforce development goals of enabling people to keep their jobs and leave poverty behind. Nor is it capable of addressing the long-term needs of employers for skilled employees. Considerable evidence now exists that finding a job is relatively easy for most people; it is keeping the job and moving up that are difficult—particularly for people without much employment experience. Even when low-skill workers manage to stay employed, they rarely earn wages high enough to escape poverty. Indeed, as Kathryn Edin and Laura Lein have pointed out in their superb book *Making Ends Meet: How Single Mothers Survive Welfare and Low-Wage Work*, low-skill working mothers often have a harder time earning enough to support themselves and their families than do similar women on welfare.

If enabling the disadvantaged to escape poverty is the principal goal of workforce development, then other measures will be needed. Although states are presently consumed with implementing welfare reform, the time may be coming when they can consider how to reorient their workforce programs to meet these goals. First, most states' welfare caseloads have declined dramatically—in some cases by more than half. This not only makes it easier to meet the federal program requirements, it frees up significant resources for the kinds of policies discussed here. Second, as the economy continues its extraordinary expansion, making it harder to find qualified workers, employers are likely to be much more receptive to working with the public sector.

Our experience during and since the reconnaissance suggests that welfare reform has overwhelmed the workforce development agenda. Nevertheless, there are signs that state officials are beginning to experiment with different training approaches within the general work first environment, some of which we have highlighted in this report. Whether this means that states will develop more systematic workforce development policies that meet the needs of workers and employers remains to be seen. Certainly TANF and the $3 billion welfare-to-work grants are fostering considerable experimentation at the state, local and community levels. It will be important to sift through these various efforts to identify promising policies and strategies. It seems to us that two programmatic elements will be key:

- ***Genuinely meeting employers' needs.*** Despite the current rhetoric about serving employers, most programs and policies remain principally focused on meeting government's needs first, participants' needs second and employers' needs a distant third, if at all. If we are ever to have a workforce development system that delivers year in and year out, employers will have to come first. After all, they have the jobs.
- ***Having a clear impact on poverty alleviation.*** To justify continued public investment, workforce programs need to demonstrate that they are useful tools in overcoming poverty. If they are not, we might as well use the resources for another purpose that demonstrably improves people's lives.

These are simple, straightforward standards. Unfortunately, few programs meet them. There certainly could not be a better time to develop stronger workforce programs—continued economic expansion has driven unemployment to a 25-year low and made employers more receptive to publicly supported workforce development efforts. If we can put strong programs into place now, it is possible they will endure during the next recession—when welfare reform will face its first real test.

Notes

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PUBLIC/PRIVATE VENTURES is a national nonprofit organization that seeks to improve social policies and programs in both the public and private sectors, especially as they relate to youth and young adults. P/PV designs, tests and evaluates initiatives that increase supports and opportunities for residents of low-income communities; and provides training and technical assistance to policymakers and practitioners.

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- *We mine research results and implementation experiences for their policy implications, and communicate the findings to local, state and federal government decision-makers, and to leaders of the nonprofit and business sectors; and*
- *We create the building blocks—model policies, financing approaches, curricula, training materials and technical expertise—that are necessary to implement new approaches more broadly, to build staff capacity and strengthen basic institutions.*

P/PV's current work encompasses both programs that respond to the needs of individuals, and community and institutional change efforts that strengthen supports and opportunities for all.

To carry out this work, P/PV's staff of experienced researchers, program developers and managers—supported by national and local foundations, corporations, and local, state and federal government agencies—work with community organizations, private employers, schools, employment and training organizations, state and local public agencies.

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